



Negotiation Quick Guide

The information that follows is a summary of guidelines contained in GDOT's Transportation Services Procurement Negotiation Manual. The Quick Guide's goal is to provide consistent procedures that address common questions that may arise during the negotiation process and to help the GDOT Project Manager (PM) and Consultant firm plan and streamline the scoping and negotiation process.

I. Task Order Scoping:

A scoping meeting should be held for each task order with the GDOT Project Manager, Consultant's team and subject matter experts (SMEs), as necessary. The outcome of the scoping meeting should accomplish the following:

- A. Reach a consensus on the scope of services, assumptions, task order completion date, other direct costs (OCDs), required labor categories for the project, define each work activity to be performed, task order deliverables, materials to be delivered; description type and number of meetings to attend; schedules and milestones to be met; GDOT's standards and processes to be followed; and the responsibilities of both the Consultant and the Department. Also, identify any information GDOT makes available to the Consultant.
- B. For ease of reconciliation, the cost proposal spreadsheet (Excel format) should contain the necessary activities/tasks identified, along with the appropriate Labor classification of personnel necessary to carry out those activities/tasks to be used by both parties to prepare the Consultant's cost proposal and GDOT internal independent estimate.

NOTE: Discussions concerning the level of effort/hours or payment methods are not permitted during the scoping meeting.

II. Cost Plus Fixed Fee and Lump Sum (Fixed Price) Payment Method:

Consultants shall use the standard GDOT cost proposal spreadsheet template developed during the scoping phase, including the scope of services' assumptions and necessary activities/tasks identified. The Consultant shall review the cost proposal for accuracy of information, calculations and ensure that all discipline tabs are carried forward to the firm summary and cost summary tabs. The Consultant shall ensure the prime's and sub-consultants' fixed fee are calculated for each associated discipline of work performed by that firm to make sure their fixed fee is carried forward correctly and totaled on the firm's summary tab. The following items should be used, included, and/or provided when developing and submitting your cost proposal for cost plus fixed fee and lump sum (fixed price) task orders:

- A. Consultant firms are to use GDOT Audit's current approved Indirect Costs Rates (Overhead Rate).
- B. For State funded Contracts, the prime and sub-consultants' indirect cost rates established in accordance with the FAR cost principles (as specified in 48 CFR 31), will be used up to the maximum indirect cost rates of 150% for the purposes of contract estimation, negotiation, administration, reporting, and contract payment.
- C. Agreed upon list of each employee committed and needed to work on each task order using the standard Labor Classifications. The Labor Classifications must be used by all firms regardless of the various titles held by each firm. The agreed upon labor classification to be used during negotiation must be agreed upon in writing by the GDOT PM during each task order scoping phase for the prime's and its sub-consultants. The agreed upon titles must be used both in the development of GDOT's internal hours and the Consultant's cost proposal. (See the Negotiation Manual for Labor Classifications and definitions).
- D. Certified Payroll and Qualification letter (See Exhibit A). The Prime and each sub-consultant shall provide a letter similar to (Exhibit A) with a minimum of all criteria indicated, which identifies each person actually committed and needed to work on the task order and to ensure qualifications are met.
 - 1. If an average calculation is used for a select group of employees using the same labor classification, justification should be attached to the Certified Payroll and Qualification letter to support how the average rates were computed. In this case, care should be taken that only employees actually committed to and needed for the project are used in computing the average.
 - 2. If certified payroll information is submitted directly to a negotiator by a sub-consultant and not provided to the prime consultant, please ensure the sub-consultant includes in the email the Contract ID #, Task Order #, and Prime Consultant's name.
- E. A fixed fee percent higher than ten percent (10%) will be examined on a case by case basis during the scoping phase, with a written justification from the Consultant identifying and explaining how they would mitigate the project schedule, complexity, risk factors, range of scope and other factors or circumstances for the scope of services currently being scoped. The written justification **must be approved during the scoping phase of the Project by the GDOT Office for that discipline or by a Division Director for Fixed Fee greater than (12%),** following the details outlined in Section 7.3 Fixed Fee of the Negotiation Manual: A and B.
 - 1. A cost-plus fixed fee contract is a cost reimbursement contract that provides for payment to the consultant a negotiated fee that is fixed at the inception of the contract. The fixed fee does not vary with actual cost but may be adjusted by a formal contract modification as a result of changes in the work to be performed under the contract. Under this payment method, the prime's and sub-consultants' fixed fee dollar amounts are fixed at the inception of the contract.
 - 2. When the fee earned by the prime or sub-consultant is allowed to increase over the performance period of the contract with increases in the cost of direct labor (hours worked/and or salaries increase) and/or increases in the indirect cost rate, it creates the prohibited "cost plus a percentage of cost" payment method, which is not allowed.
- F. The FCCM rate is not used in the calculation for the fixed fee amount.
- G. Other Direct Costs allocable to the project, which are reasonable and allowable in accordance with the Federal Cost Principles are defined by the following guidelines:

1. Direct Expense Rate (DER):

- (a) GDOT has established a non-negotiable, eight percent (8%) of DER limit for estimating direct project expenses during the negotiation of cost-plus fixed fee contracts/task orders only. The DER can only be used for disciplines within the scope of services that warrant the need for ODCs and the Consultant who anticipates incurring direct project expenses. The direct expense rate can be used by a prime consultant and sub-consultants for costs that will not require supporting documentation.
- (b) The DER will be calculated by multiplying eight percent (8%) of the proposed Total Direct Labor Cost (DLC).
 - (1) Consultants who elect to use the DER for estimating purpose will not be required to submit supporting documentation during contract negotiation; however, they are required to provide information and an explanation of how the anticipated ODCs were computed for the project.
 - (2) It is the Consultant's responsibility to account for costs appropriately and maintain adequate records and supporting documentation to demonstrate incurred costs are allocable to the contract and comply with applicable cost principles.
 - (3) If a consultant estimates their ODCs for a project will be greater than the established eight percent (8%) DER allowed, the Consultant must provide adequate documentation to support the basis for all expenses contained for that discipline within the cost proposal.

NOTE: GDOT reserves the right to request supporting documentation at any time and for any reason at its discretion.

2. Supporting documentation: commonly known as allowable ODCs and acceptable supporting documentation include:

- (a) Travel, transportation, lodging, meals, and incidental expenses by consultants on official company business related to a GDOT project are allowable, subject to the limitations contained in FAR Part 31.205 and Federal Travel Regulation (FTR) prescribed by the General Services Administration (GSA). For the purpose of preparing cost proposals, lodging per diem rates shall exclude taxes.
- (b) Per Diem expense for travel within the State of Georgia are allowable when consultants are on official travel related to a GDOT project greater than fifty (50) miles radius from their Georgia Office location for more than twelve (12) hours.
- (c) Expenses for travel outside the State of Georgia must be listed in the consultant's cost proposal or approved in writing in advance of the travel by the Department in order to be deemed an allowable direct cost.
- (d) Airfare must be based on coach rates with reasonably advanced purchases. Each purchase must be supported by a screenshot of the airfare cost, detailing at least two (2) weeks advance purchase of the ticket, with the date of the departure, arrival location, return date and number of passengers.
- (e) Proposed lodging cost should be supported by the number of proposed days for lodging multiplied by the GSA per diem rate excluding taxes for the county where the project is located or the standard rate for all locations without specified rates.
- (f) Costs for rental cars must be based on the use of compact cars, unless otherwise justified and approved by GDOT. Justification to be supported by a screenshot of the proposed

rental car cost per day. The rental car cost per day multiplied by the number of days will equal the total rental car's cost.

- (g) Mileage for Personal Owned Vehicles must be billed at the GSA rate, supported by the calculation of the proposed mileage multiplied by the GSA mileage rate. A firm should not bill GDOT for mileage on a company owned vehicle. (Any exception will be cleared through GDOT's Office of Audit) Travel time and mileage to and from project sites are billable to the project; but daily commuting time and mileage are not billable to GDOT.
- (h) External reproduction – requires a price list or screenshot from an external commercial vendor website or a recently paid invoice from the commercial vendor supporting the reproduction rates and the calculation for the reproduction total cost.
- (i) Delivery, overnight, courier price list requires a captured screenshot from an external commercial vendor or a recently paid invoice from the commercial vendor supporting the courier rates and the calculation for the delivery, overnight, courier total proposed cost.

NOTE: Please be aware of GDOT's policy announcement for standard file format and plotting. "Beginning July 1, 2017, projects that have not held Preliminary Field Plan Review (PFPR) should begin using the small-format 11" x 17" standard file size for PDFs and plan distributions. Projects that have already held PFPR may remain in the large format at the discretion of the Design Phase Leader and Project Manager."

- (j) Parking costs must be reasonable and shall not exceed \$15.00 per day.
- (k) In order to ensure the cost for drilling, laboratory and other vendor services that are engineering, and design related are fair and reasonable, consultants shall comply with the following:
 - (1) Provide supporting documentation for services less than \$75,000.00 that are engineering, and design related services related to a highway construction project subject to the provisions of 23 U.S.C 112(b)(2)(A). A written quote from vendors when providing vendor services that may include, but not limited to items such as core borings, subsurface drilling, traffic control services, land clearing, court reporters, translators, and aerial photography. The quotes shall be dated on the company's stationery or other suitable document identifying the business name, phone number, and person submitting the quotes (phone quotes are not acceptable; email quotes with the requested information are acceptable.) The quotes should be in response to an initial inquiry for pricing for a specific project. All quotes should have the attached specifications, terms and conditions and/or appropriate contract ID number and PI number referenced.
 - (2) The combined cost for drilling and laboratory services greater than \$75,000.00 per geotechnical, environmental or pavement work type shall require quotes in addition to written approval from the Office of Material and Testing, prior to submitting the consultant cost proposal during negotiation, identifying the contract ID number, and PI number.
 - (3) If laboratory testing services for geotechnical investigation, structure testing, or other types of evaluation are being considered, they will be categorized as engineering support services. Testing must be in a laboratory certified by the AASHTO reSource,

formerly Materials Reference Laboratory (AMRL) and test results will need to be reviewed and attested by a registered Professional Engineer.

- (4) Consultants providing laboratory services in-house shall include a schedule of price per test (unit rates) and quantity of test in their cost proposal that are fixed for the duration of the contract/task order. **(If the associated laboratory and or equipment costs are not included in, the firm's audited indirect cost rate and the firm has established recovery accounts to accumulate the laboratory expenses in a separate account.)** Laboratory services on a unit price basis will be required to provide a copy of their standard fee schedule and attest that the fees contained therein are the normal fees for such services whether for private or governmental clients.

NOTE: All unaudited unit rate prices may be negotiated at GDOT's discretion.

- (5) Consultants **cannot** utilize a unit rate pricing approach for laboratory services if their associated laboratory and or equipment costs are included in their company's audited indirect cost rate. The Laboratory services cost must use the cost-plus fixed fee payment method, which requires the use of negotiated man-hours to cover the laboratory costs.

- (6) Consultants providing drilling services in-house shall include a schedule of unit prices and quantity of tests in their cost proposals that are fixed for the duration of the contract/task order. **(If the associated drilling and or equipment costs are not included in the firm's audited indirect cost rate and the firm has established recovery accounts to accumulate the drilling expenses in a separate account.)** Drilling services on a unit price basis will be required to provide a copy of their standard fee schedule and attest that the fees contained therein are the normal fees for such services whether for private or governmental clients.

NOTE: All unaudited unit rate prices may be negotiated at GDOT's discretion.

- (7) Consultants **cannot** utilize a unit rate pricing approach for drilling services if their associated drilling and or equipment costs are included in their company's audited indirect cost rate. The drilling services cost must use the cost-plus fixed fee payment method, which requires the use of negotiated man-hours to cover the drilling costs.
- (8) Reimbursement for Drilling and Laboratory Services will be based on the actual quantity of work performed and not the total negotiated cost.
- (9) All associated drilling and or laboratory ODC's shall follow all ODC's requirements with in this Negotiation Manual for Engineering and Design Related consultant services and must be easily reconcilable.
- (10) If a consultant anticipates exceeding the drilling and/or laboratory negotiated quantity by an amount greater than twenty percent (20%), they must obtain approval from the GDOT Office of Material and testing, prior to exceeding the estimated quantity.
- (11) If a drilling or laboratory company is not available or cannot honor the quoted prices due to the time the quote was provided and the time the services are requested, the consultant must:
- i. Obtain written approval to change any geotechnical drilling or laboratory company that was utilized during negotiation from the GDOT Office Head in writing, so long as the cost is not increased.
 - ii. A separate task order will be processed to cover any increased drilling or laboratory costs that cannot be covered within an executed task order's maximum allowable compensation dollar amount.

3. Sub-Consultant:

Sub-consultant's costs must be specifically identified in the cost proposal and supported in the same manner as the prime consultant. The intended use of all lower tier sub-consultants must be disclosed during contract negotiation, regardless of tier level. Unauthorized use of sub-consultants that are not in accordance with the Standard Professional Services Agreement, USE OF SUB-CONSULTANTS which states: "Any change to the list of preapproved subconsultants must be approved by the Department in writing. The Consultant agrees not to assign, sublet, or transfer any or all of its interest in an Agreement without the prior written approval of the Department." Subconsultants shall follow the same guidelines as the Prime Consultant regarding direct labor, indirect cost rate, direct expense, fixed fee, and ODCs. Markup or administrative fees added to a sub-consultants' cost is not allowable. Prime consultants are directly reimbursed for managing their sub-consultants through their associated direct labor, indirect cost, and profit.

III. Specific Rates of Compensation (Billable Rates) Payment Method:

The specific rates of compensation payment method provide for reimbursement based on direct labor hours at specified fixed hourly rates, including direct labor cost, indirect costs, and fee or profit, plus any other direct expense or costs determined allowable during negotiation. The loaded fixed hourly rates will be established up front for each employee/title and will not change for the duration of the task order. The performance periods should be limited to twelve (12) to eighteen (18) months to allow for annual adjustments of salaries and indirect cost rates. **Billable rate task orders cannot be done on an old cost plus fixed fee contract, a supplemental agreement must be done using the same payment type as the original contract.**

The following guidelines shall apply for Billable Rate task orders:

- A. The Specific Rate of Compensation payment method should be limited to contracts or components of contracts for specialized or support type services where the Consultant is not in direct control of the number of hours worked, such as Construction Engineering and Inspection (CEI) and Roadway Testing Technician (RTT) contracts. When using this payment method, GDOT project manager shall manage and monitor the Consultant's level of effort and classification of employees used to perform the contract services to ensure the most economical staffing commensurate with the complexity of each project and cost controls are employed by the Consultants.
- B. The Maximum Allowable Compensation dollar amount will be established as an estimate of the total cost for the purpose of obligating funds and establishing a ceiling that **cannot** be exceeded. The Consultant is not entitled to the maximum allowable compensation dollar amount unless it has been earned based on the actual direct hours worked at the specified fixed billable rates. **There is no negotiation of hours for a billable rate task order; cost proposal or internal hours required.**
- C. GDOT PM shall manage and monitor the consultant's level of effort and classification of employees used to perform the services for the task orders. The Consultant shall not be in direct control of the number of hours worked.
- D. The required information to calculate the fixed billable rate for each consultant employee that will be listed in the Specific Rates of Compensation (Billable Rates) task orders are as follow:

1. Current approved Indirect Costs Rates (Overhead Rate).
 - (a) For projects where the consulting firm's employees will work out of their established home or branch office shall use the company's approved office indirect cost rate.
 - (b) For projects where the consulting firm's employees will not work out of their established home or branch office shall use their approved field indirect cost rate.
 - (c) For projects where the consulting firm's employees will work out of a GDOT's office space will use an adjusted field rate to reflect an equitable distribution of allowable cost to the contract (as specified in 48 CFR 31.203(f).
2. An agreed upon listing of labor classifications needed for the task order.
3. Certified Payroll and Qualification letter (See Exhibit A). The Prime and each sub-consultant shall provide a letter similar to (Exhibit A) with a minimum of all criteria indicated, which identifies each person committed and needed to work on the task order and to ensure qualifications are met.
4. The following formula must be used to calculate the fixed billable rate for each consultant's employee:

(Employee current hourly rate)
 ((Employee current hourly rate) X approved indirect cost rate))
 ((Employee current hourly rate)+((Employee current hourly rate)X indirect cost rate))X10%= Fixed Fee
 (FCCM % X Direct Labor Rate)
+ (Trucks; Cell and Laptop) (for CEI Billable Rate only)
 = Fixed Billable Rate

- E. The name and labor classification of each consultant's employee should be listed in each task order with an individual billable rate based on their actual current pay rate. The average calculation used for a select group of employees using the same labor classification is no longer allowed.
- F. Each required element of the contract cost along with the billable rate calculation must be shown in the billable rate excel spreadsheet template to ensure the billable rates are calculated correctly.
- G. If other direct costs are not included in the fixed billable hourly rate and are needed in the performance of the task order, a table of allowable other direct costs should be included in the task orders to cover billable rates for travel, transportation, lodging, meals, and incidental expenses by consultants on official company business related to a GDOT project.
- H. Only actual consultant's employees should be listed in each task order. If the need arises to add additional personnel to a billable rate task order, a formal written request should be submitted to the GDOT PM and approved by the using office's Office Head. After approval a request should be placed to procurement using RTS requesting to add the additional personnel. Procurement will request certified payrolls and a complete billable rate spreadsheet template. The additional personal will be added to the task order by an approval letter after the billable rate information has been verified and approved. A formal supplemental agreement will not be executed to add additional personnel to billable rate task orders.
- I. In order to establish rates for Vehicles, Cell phones and Laptops/tablets for use on a GDOT CEI contract, the proposed direct expense cost must be certified that the costs will be incurred specifically for the contract under negotiation and **not included in the company's indirect cost rate or owned by the company**. Consultants must provide the following information to establish

additional hourly expense costs to be added to the calculated billable rate. The additional expense cost **will not change** for the duration of the Master Contract:

1. Currently proposed lease agreements detailing the cost and number of vehicles, in addition to the cost of vehicle insurance, and vehicle maintenance for thirty-six (36) months. The total vehicle cost should be divided by thirty-six (36) months to compute the monthly cost and then, the monthly vehicle cost should be divided by 152 hours to compute the hourly rate for the vehicle.
2. New cell phone plans for new phones should detail the monthly fee for each phone. The monthly cellphone cost should not be included in the consultant's overhead rate and should be divided by 152 hours to compute the hourly rate for cell phones.
3. Laptop/tablet quote. The total cost for the computer should be divided by thirty-six (36) months to compute a monthly cost. The monthly cost should be divided by 152 hours to compute the hourly rate for computers.

The consultant's actual cost for trucks, cell phone, and laptop/table will be used up to the established GDOT Cap. In order to control cost and ensure the most economical cost for the vehicles, cell phone, and laptop/tablet use, GDOT has established a maximum allowable cost for each of the direct expenses on CEI task orders. The maximum amount for each direct expense will be evaluated periodically to ensure the amounts are reasonable. The direct expense shall be capped for use of vehicles, cell phones, and laptop/tablet costs on all CEI task orders to ensure the most economical cost, each of these costs **MUST be** incurred for the current contract and not a part of the companies overhead.

IV. Cost per Unit of Work (Menu of Services) Payment Method:

Cost Per Unit of Work also referred to as (Menu of Services), is a cost reimbursement payment method that provides for the payment of an agreed-upon fixed cost for an agreed-upon effort per unit of work. The "Cost Per Unit of Work" method establishes a loaded, fixed unit rate up front, which **will not change** for the duration of the contract and provides reimbursement to the consultant **based on the actual units worked**. The maximum allowable compensation dollar amount will be established as an estimate of the total cost for the purpose of obligating funds and establishing a ceiling that the Consultant shall not exceed. The GDOT project manager shall manage and request the unit of work (menu item) to be performed by the Consultant and the Consultant shall not be in direct control of the number or menu items worked. It is essential that the Consultant track and maintain a record of the actual work completed.

- A. The Specific Rate of Compensation payment method should be limited to contracts or components of contracts when the effort per unit of work is well-defined but the number of units is uncertain. It is essential that the consultant have a record of the actual work completed.
- B. The Maximum Allowable Compensation dollar amount will be established as an estimate of the total cost for the purpose of obligating funds and establishing a ceiling that may not be exceeded. The Consultant is not entitled to the maximum allowable compensation dollar amount unless it has been earned based on the actual number of menu items completed.

- C. All subconsultants used to perform services on a Menu of Services task order **must** be identified during the negotiation process. Each firm employee's actual salary rates and indirect cost rates will be used from each firm to determine their menu costs and the task order menu items cost will be averaged by the number of firms committed to perform those individual menu items.
- D. Each menu item's scope, assumptions, complexity, needed personnel and firms to perform the services must be agreed upon for each menu item.
- E. The Menu of Services' task order duration should be limited to twelve (12) to eighteen (18) months to allow for adjustments of salaries and indirect cost rates.
- F. If other direct costs are needed in the performance of the task order, a table of allowable other direct costs will be included in the task orders to cover billable rates for travel, transportation, lodging, meals, and incidental expenses by consultants on official company business related to a GDOT project.

V. Negotiation of Work Effort:

A comparison between GDOT's independent estimate and the consultant's cost proposal will be performed to ensure that the proposed Consultant's staff hours are reasonable for the specific project and the necessary work activities are within a goal of ten percent (10%) or an acceptable variance of GDOT's internal cost estimate and/or hours based on the scope and complexity of the project. It is also critical to determine if a reasonable distribution of work among various levels of staff is proposed to ensure the most economical staffing commensurate with the complexity of the project.

Each project must be independently evaluated and scoped to determine a fair estimate of the required staffing hours. The basis for the estimate should be obtained from specific requirements for the project scope under consideration, along with historical data of actual staff requirements from past projects with similar requirements, if available.

The comparative analysis may produce one of the following results/actions:

- A. Task orders will be cancelled/rejected, when activities have not been scoped as outlined in Section I. Scoping of each Task Order above.
- B. If overall hours are acceptable and all required supporting documentation has been submitted, the task order will be processed for approval and routed for signatures and execution through CATS using DocuSign.
- C. The consultant may be requested to make reductions in hours in various disciplines that will bring the overall hours or hours for a particular discipline within an acceptable range. If the Consultant is unable to make the requested reduction(s) in hours, the task order will follow the process highlighted under Section Item E. below.
- D. A negotiation meeting may be scheduled by TSP and facilitated by the negotiator for task orders that have three (3) disciplines or less, when the Consultant hours are between twenty percent (20%) and fifty percent (50%) higher than GDOT's internal hours to allow both parties to discuss only those disciplines identified for the discrepancy. It is the responsibility of the GDOT PM to ensure that the appropriate SME representatives are invited to the negotiation meeting.
- E. If after the negotiation's meeting, the overall hours are still not within an acceptable range to complete the task order negotiation's phase to move forward towards an executed task order, GDOT management will determine the next course of action, which may include:

1. Cancellation of the current task order and re-assignment of scope to an IDIQ/On-call Contract.
 2. Reduction in the scope of services for the project to remove unknown or hard to negotiate tasks.
 3. Follow the process outlined in Item E. below.
- F. If there is a fifty percent (50%) or greater difference between the total internal hours provided by GDOT PM and hours provided by the Consultant, negotiation of the task order will be cancelled and the GDOT PM will be required to re-submit the work under a new task order request, only after the following actions have been performed:
1. The GDOT PM and the Consultant will be notified of the percentage differences for only those disciplines that need the assumptions and scope of services re-visited and discussed in a face-to-face re-scoping meeting with all necessary SMEs in attendance.
 2. The purpose of this re-scoping meeting should be to clarify and solidify GDOT's desired scope, identify those differences, to come to an agreement on the desired level of effort expected for personnel in relationship to the scope of services for the project disciplines. This meeting should be held **without any discussion** of actual man-hours. The meeting's focus should outline GDOT's intent for the project and the consultant's strategy/goals to perform the work in detail.
 3. After both parties have re-visited and agreed upon the scope of services and assumptions required for the project during the re-scoping meeting, the GDOT PM should submit a request for a new task order through RTS, along with the revised scope and revised internal hours.
 4. The Consultant will be prompted by email through RTS by a negotiator to submit their cost proposal after the negotiator has submitted a draft Task Order with scope and deliverables requesting the Consultant's cost proposal and all supporting documentation. The Consultant should never share their cost proposal or hours with a GDOT PM or GDOT SME.

VI. Task Order Supplemental Agreements

A task order supplemental agreement (modifications) is required for any amendments to the terms of the existing contract/task order that changes the cost of the contract/task order; significantly change the character, scope, complexity, or duration of the work; or significantly changes the conditions under which the work is required to be performed. The following should be considered prior to requesting a task order supplemental agreement:

- A. To ensure that the maximum allowable compensation dollar amount has not been exceeded and/or consultants have not worked outside the executed task order scope of services there will be no task order supplementals to add money.
- B. If additional scope and money are required, a new task order shall be requested in RTS by the GDOT PM and negotiated by the Office of TSP.
- C. To add additional scope to an executed task order that have unbilled hours and associated funds to cover the additional scope of service needed without an increase to the task order's current maximum allowable compensation dollar amount. The requirement of providing internal hours for the additional scope shall apply.

- D. To replace a subconsultant on an executed task order utilizing the negotiated or remaining man hours allocated to that discipline without an increase to the task order's current maximum allowable compensation dollar amount.
- E. To make corrections or reduction to the task order's scope, correction to the consultant's cost proposal or to reduce the task order maximum allowable compensation dollar amount.
- F. To reallocate negotiated man-hours to various consultants to accommodate changes in the scope of services, level of effort/hours and associated fixed fee.
 - 1. In accordance with 23 CFR 172.9(e)(3), negotiation shall follow the same procedures as the negotiation of the original contract.
 - 2. therefore, only the use of negotiated man-hours and its associated costs can be used to increase a consultant's level of effort and associated fixed fee.
 - 3. The use of other direct costs or differences in consultants' costs in relation to hours, labor rates and/or indirect cost rates cannot be used. There must be an equal number of hours reduction and increases among the various consultants without an increase in the total number of negotiated hours.
- G. The consultant associated with the increased level of effort/hours must use its current labor rates and indirect cost rate at the time of the supplemental agreement. A consulting firm may wish to voluntarily offer a lower indirect cost rate than what was originally approved by GDOT's Office of Audit in writing.

Under the cost plus fixed fee payment method, consultants have the flexibility with written approval from GDOT's Office Head to shift funds between sub-consultants, disciplines, or phases to cover the reimbursement of actual direct labor cost, indirect costs, plus any other direct costs subject to the agreement's maximum dollar amount; which does not significantly change the character, scope, complexity, duration of the work; or significantly changes the conditions under which the work is required to be performed. However, the Prime and sub-consultant's fixed fee amount does not vary with the actual costs incurred in the performance of the shifting of funds/work associated with the project without a formal supplemental agreement. When the fee earned by the prime or subconsultant is allowed to increase over the performance period of the contract with the increase in the cost of direct labor (hours worked/and or salaries increases) and/or increase in the indirect cost rate, it creates the prohibited "cost plus a percentage of cost" payment method, which is not allowed.

Exhibit A

Engineering and Design – Consultant/Sub-Consultant(s) Certified Payroll and Qualifications Information

Master Agreement ID #: _____ Task Order #: _____
Prime Consultant's/Sub-Consultant's Legal Name: _____

INSTRUCTIONS FOR COMPLETING THIS FORM: List all employees who will be working on the project along with their title, GDOT Labor Classification, verification that the employee meets minimum labor classification requirements, and the employee's verified hourly payroll rate as of the signature date noted below.

Employee Name	Official Company Title	GDOT Labor Classification	Meets minimum GDOT Labor classification requirements (see attached)	Education (e.g. AA, BA, MA, DES)	Years' Experience	Professional Registration/Technical Certificate Number (if applicable)	Actual Hourly Payroll Rate
		Choose an item.	Yes <input type="checkbox"/> No <input type="checkbox"/>				\$
		Choose an item.	Yes <input type="checkbox"/> No <input type="checkbox"/>				\$
		Choose an item.	Yes <input type="checkbox"/> No <input type="checkbox"/>				\$
		Choose an item.	Yes <input type="checkbox"/> No <input type="checkbox"/>				\$
		Choose an item.	Yes <input type="checkbox"/> No <input type="checkbox"/>				\$

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE FOR EACH INDIVIDUAL IS TRUE AND ACCURATE.

SIGNATURE

NAME (PRINTED)

TITLE

DATE

GDOT reserves the right to request additional information to substantiate the information contained on this form. Falsification of information on the Certified Payroll and Qualifications Information form or any documents submitted during negotiations by the Consultant may result in the Department terminating the Master Agreement.